California Public Utilities Commission and
California Energy Commission

Natural Gas Market Outlook 2006-2016 Workshop

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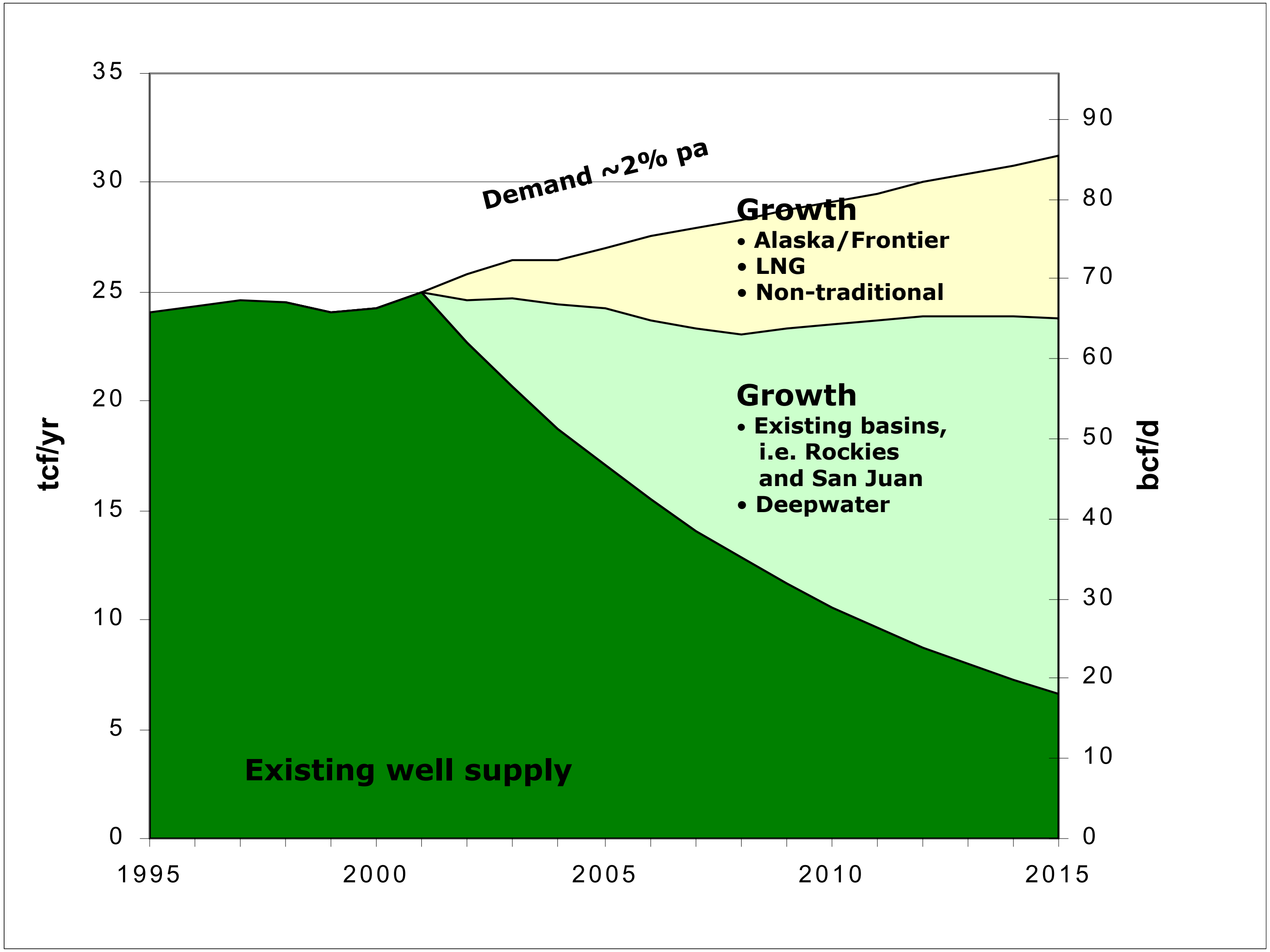
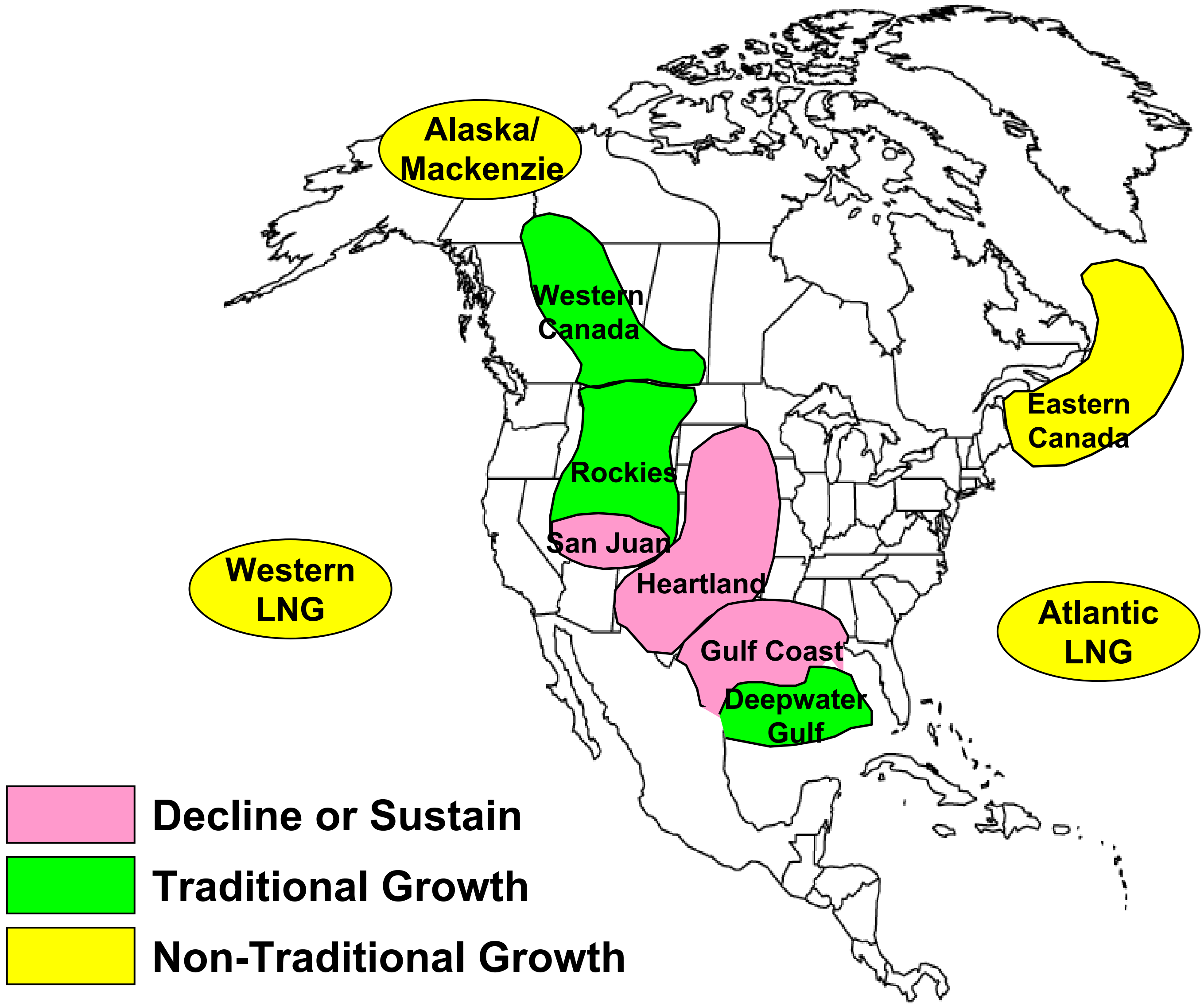
North America Natural Gas Supply/Demand Outlook

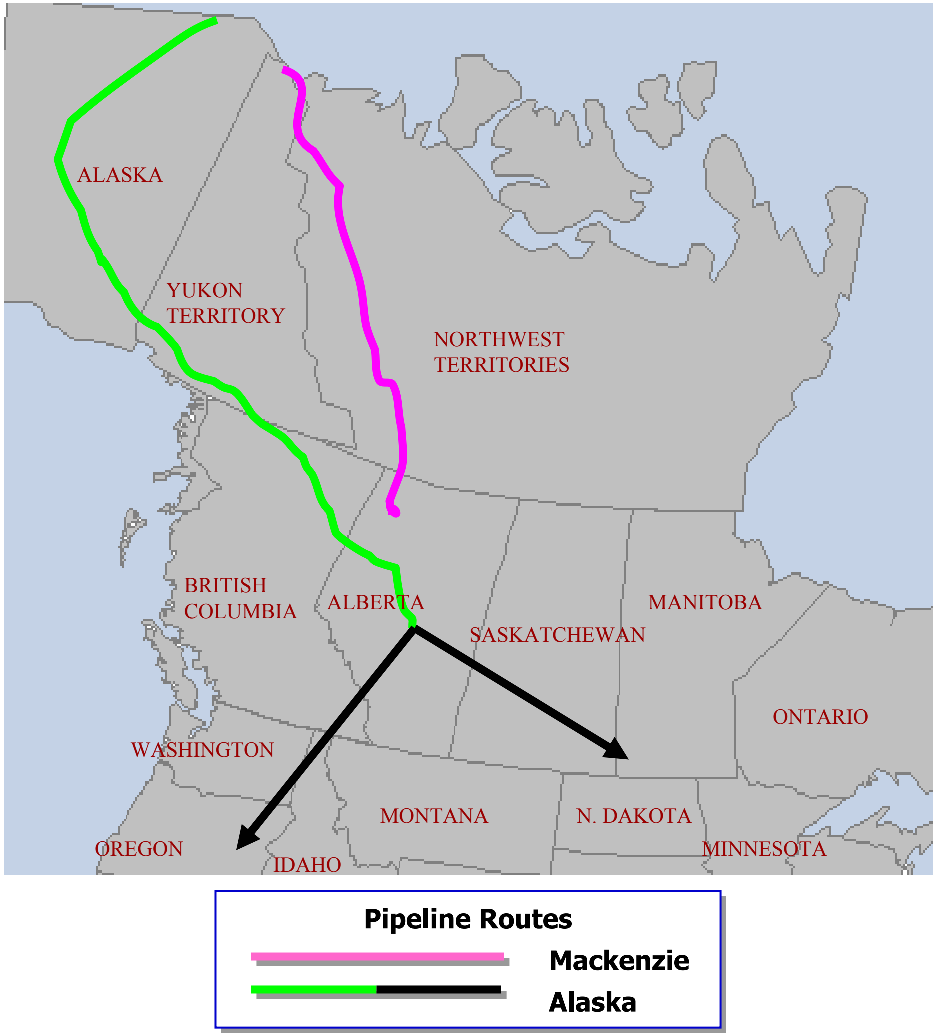
Based on CERA Data



Both Traditional and Non-traditional Supply Sources Are Needed to Meet Demand



Natural Gas Supply – Alaska Gas and Mackenzie Delta



- Alaska's North Slope has significant gas reserves: 35 tcf discovered.
- Producers recently completed $125m study to assess cost, technology, regulatory and environmental issues of Alaska Gas Pipeline.
- A buried pipeline is most efficient way to market. Either Northern or Southern routes can be safely built and operated.
- Transportation costs are significant -- approximately $20 billion to build a 4.5 bcfd pipeline with expansion capability.
- Mackenzie Delta/Beaufort Sea has about 6 tcf of known onshore reserves. A 0.8-1.5 bcfd pipeline to the Alberta market is under consideration with gas delivery anticipated by the end of the decade.

Westcoast LNG Regasification Developments